

Dominion Energy Southeast Services, Inc.
Legal Regulatory Department
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DominionEnergy.com



June 11, 2019

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

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2019 JUN 11 PM 1:07
SC PUBLIC SERVICE
COMMISSION

RE: Dominion Energy South Carolina, Inc.
Request for Approval of Contract for Electric Service with Evonik
Corporation
Docket No. 2019-215-E

Dear Ms. Boyd:

Pursuant to S.C. Code Ann. Regs. 103-303 (2012), Dominion Energy South Carolina, Inc. ("DESC" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") and seeks approval of the Contract for Electric Service ("Contract") between DESC and Evonik Corporation ("Evonik"), with such approval to be made effective as of March 28, 2018, the effective date of the Contract.¹

Evonik, a German chemical manufacturing company, is one of the world's leading specialty chemicals companies and produces chemicals for a variety of applications, including adhesives, cleaning products, and construction materials. The Contract is related to Evonik's decision to launch new operations in Berkeley County. More specifically, Evonik is building a precipitated silica plant at the Charleston International Manufacturing Center in Goose Creek, South Carolina, to supply the tire industry. It is DESC's understanding that the Evonik operations represent an investment of \$120 million and 50 jobs in Berkeley County. Evonik

¹ The Contract was executed by South Carolina Electric & Gas Company ("SCE&G"). Subsequent to the execution of the Contract, SCE&G changed its name to Dominion Energy South Carolina, Inc. on April 29, 2019. See letters dated February 20, 2019, and April 12, 2019, in Docket No. 2017-370-E, advising the Public Service Commission of South Carolina of the name change.

began taking electric service from DESC in May 2018 and expects to be fully operational in mid-2019.² The Contract continues for ten years from the effective date, unless an early termination is mutually agreed upon by the parties. The Contract is automatically extended thereafter until terminated by either party.

Due to the commercial sensitivity and proprietary nature of certain provisions of this Contract as well as the highly competitive nature of the industry in which Evonik operates, the Company and Evonik respectfully request that the Commission find that the Contract contains protected information and issue a protective order barring the disclosure of this Contract under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Contract that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Contract in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted Contract, the Commission notify DESC of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Contract from disclosure.

Enclosed are the following:

- (1) A true and correct copy of the original Contract in a sealed envelope marked "CONFIDENTIAL." Each page of the Contract is also marked "CONFIDENTIAL."
- (2) Ten (10) copies of a redacted copy of the Contract for filing and public disclosure.

² Evonik will be billed for a portion of its demand and energy under the Company's Real Time Pricing (RTP) tariff. That tariff has been suspended indefinitely to new customers. See Commission Order Nos. 2018-604 and 2019-35. In its August 17, 2018 request that the RTP tariff be suspended indefinitely, DESC failed to include Evonik in its count of customers taking service under or negotiating to take service under the RTP tariff. Despite this inadvertent oversight, Evonik executed its contract for RTP pricing prior to that request and the Commission's indefinite suspension of the RTP tariff, and Evonik is therefore not subject to the indefinite suspension of the RTP tariff.

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By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Contract for its records. Additionally, DESC will make the original, unredacted copy of the Contract available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

Enclosures

cc: Dawn Hipp
Jeffrey M. Nelson, Esquire
(both via hand delivery w/enclosure)

ORIGINAL

**South Carolina Electric & Gas Company
CONTRACT FOR ELECTRIC SERVICE**

CC

Effective Date: 03-28-2018**Contract No. :** E9118008**THE PARTIES HEREIN NAMED AGREE TO THE FOLLOWING****Customer's Legal Name:** Evonik Corporation**D/B/A:** Evonik Corporation**Premises Served:** Manufacturing Plant**Service Address:** 1686 Bushy Park Road, Goose Creek, SC 29445-6338**Billing Address:** 299 Jefferson Road, Parsippany, NJ 07054-2827**Initial Term Ends:** 10 Years from Effective Date; **Service Date:** On or about 06/01/2018**Minimum Notice of Termination:** 12 Months after initial term.**Supply:** 23.9 kV **Service Method:** (2) 2,500 kVA Padmounted Transformers**Delivery:** 277/480 Volts, 3 Phase, 4 Wire, Wye Connected**Point of Service:** Bolted connections on lowside spades of padmounted transformers**Metered Voltage:** 277/480 Volts; **Meter Location:** On transformers**Billing Rate :** 23/27 **Contract Demand:** 1,700 kW **Maximum Capacity:** 5,000 kVA**Build-up Period:** Six (6) Months **SIC:** 2819 **NAICS:** 325998**Special Provisions/Extra Facilities/Explanations:** (Acct. No.)

Company's standard six (6) month build-up period shall apply once Customer begins Rate 23/27 service.

*This contract incorporates all general, standard, and special terms hereafter or incorporated by reference, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the same services.***EVONIK CORPORATION**

DocuSigned by:

By: Leonard Kientz

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Print: Len KientzTitle: Director, Energy Management**SOUTH CAROLINA ELECTRIC & GAS COMPANY**

DocuSigned by:

By: William G. Watkins

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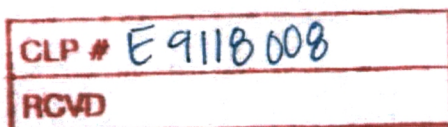
Print: William G. WatkinsTitle: Manager - Large Customer Accounts & Services

EXHIBIT "A"
Contract for Electric Service between SCE&G and Evonik Corporation
Bushy Park Road, Goose Creek, SC 29445-6338

I. GENERAL

This Contract for Electric Service ("Contract") is being executed between South Carolina Electric & Gas Company ("Company" or "SCE&G") and Evonik Corporation ("Customer") for and on behalf of themselves, their successors and assigns, and supersedes the Contract for Electric Service (Contract #E9117022) dated May 2, 2017, and all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the same services.

II. BILLING RATE

It is the intention that [REDACTED] of the Customer's demand and energy, as it varies from year to year (herein the Customer's Baseline Load or ("CBL")), shall be billed on Company's filed Rate 23 tariff or applicable successor rate for industrial customer comparable to Customer, as the same may change from time to time, with the balance of said demand and energy being billed on Company's Real Time Pricing (RTP) tariff.

For purposes of this Contract, until the end of the first full calendar year of service under this Contract, Customer's CBL shall be determined monthly at month's end based on actual demand and energy usage during the then ending month. After such date, the Customer Baseline Load shall be determined as described in Company's RTP tariff (Baseline Billing Determinants). At the beginning of each year, except for the Customer's initial subscription year on RTP, the Customer's CBL may be adjusted based on anticipated demand and energy requirements for the succeeding twelve (12) month period and on Customer's load pattern and load data for the prior twelve (12) months; all pursuant to the Company's RTP tariff. Customer's CBL shall not be less than [REDACTED] of Customer's total anticipated load.

Upon thirty (30) days written notice to Company, Customer shall have a one (1) time option to convert, for the remainder of this Contract, all of Customer's RTP Load to CBL and to have its entire load billed under the terms of Company's Rate 23 tariff or applicable successor rate for industrial customer comparable to Customer.

Upon request by Company, Customer agrees to promptly provide information reasonably required by Company for forecasting Customer's anticipated energy requirements. Company's current Rate 23 and RTP tariffs are attached hereto and made a part hereof.

III. FULL REQUIREMENTS SERVICE

Contract shall be for full-requirements service which requires that all energy and capacity be purchased from the Company except for Customer-owned power generation for emergency use by Customer as backup for its critical infrastructure. This section does not preclude Customer from participating in any of Company's programs including it customer applicable Distributed Energy Resource (DER) or Standby Generator programs.

Approval Initials	<div style="border: 1px solid black; padding: 2px; display: inline-block;">DS [Signature]</div> _____ For Customer	<div style="border: 1px solid black; padding: 2px; display: inline-block;">DS [Signature]</div> _____ For Company
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IV. COINCIDENTAL PEAK BILLING

The monthly billing shall be on one account, based on the arithmetic sum of energy from the two (2) transformers, and the coincidental peak demand as recorded at the two (2) metering points on the two (2) 2,500 kVA transformers during each billing period.

V. EXCESS CAPACITY CHARGE

Customer's load is estimated to be in excess of Company's largest stock distribution transformer size, so based on Customer loads under Company's standard service model, facilities would consist of two (2) 2,000 kVA padmounted transformers located side by side.

Customer has requested Company to install two (2) 2,500 kVA padmounted transformers in lieu of standard service. Company has agreed to install this additional transformer capacity per the following terms:

In consideration of the Company's investment in excess facilities and the expense incurred in owning, operating and maintaining the same, Customer agrees to pay the Company an additional monthly facility charge of [REDACTED] for the excess investment and expense incurred by Company (The excess investment is hereby agreed to be [REDACTED]).

The facility charge rate, currently 2.25% per month, is subject to change from time to time, but not more often than once a year based on Company's related cost factors. The base on which the facility charges is calculated is subject to change with a corresponding change in the current value of any covered unit(s) of capital in the event of a required replacement of major components. This charge shall be in addition to all other sums due under this contract.

In the event Customer's combined peak load exceeds the thresholds listed below and Customer provides written notice request, there will be a reduction in the monthly Facility Charge and corresponding increase in Contract Demand as is outlined below. Such changes will be effective in the Billing Month following Customer's written request and for all subsequent Billing Months for duration of this Contract.

If Peak Demand Exceeds	New Facility Charge ¹	New Contract Demand	
4,000 kVA	50%	1,913	kW
4,500 kVA	0%	2,125	kW

¹ Adjusted Facility Charge shall be equal to the % listed times the current monthly Facility Charge.

Approval Initials

DS
[Signature]

For Customer

DS
[Signature]

For Company

VI. DISTRIBUTION FACILITY PROTECTION

Company owns and will maintain the pad-mounted transformers, primary cable, primary protective equipment, and metering equipment. Customer owns and will maintain the concrete transformer pad and all circuits and equipment on load side of transformer terminals. Customer agrees to keep transformers and primary cable unencumbered and accessible to Company's maintenance vehicles and to keep transformers protected from vehicular traffic. Customer agrees to distribute its internal secondary loads in such manner as not to overload any individual transformer.

Approval Initials

^{DS}
Uk

For Customer

^{DS}
WGW

For Company

STANDARD CONDITIONS

Supply and Use: Company agrees to sell and Customer agrees to buy from Company all purchased electric energy, capacity, related transmission services and any related distribution services required by Customer for use on its premises covered hereunder. Resale by Customer of energy, capacity, related transmission or related distribution services is not permitted.

Creditworthiness: Company, in order to satisfy itself of the ability of the Customer to meet its obligations under the contract may conduct periodic reasonable credit reviews in accordance with standard commercial practices. Customer agrees to assist in these reviews by providing financial information and at the request of the Company, will maintain such credit support or surety including but not limited to, an unconditional and irrevocable letter of credit to provide adequate security for protection against the risk of nonpayment.

Service Application, Deposit and Release: Prior to receiving service, Customer or its Agent must: (a) Ensure that an application for service is made to Company, either in person at one of Company's commercial offices or through the Company representative coordinating the service arrangements; (b) Post a service deposit with Company (as determined by Company in accordance with S.C. Public Service Commission regulations), unless waived by Company in favor of other satisfactory assurance for payment of bills; and (c) Ensure that any inspections required by governmental authorities having jurisdiction are completed and notice thereof is given to the Company.

Commencement of New Service: Company and Customer shall make every reasonable effort to have their respective facilities ready for service by the **Service Date** stated on Page 1. If conditions should change, the affected party shall immediately notify the other.

Assignment: Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.

Term: This Contract shall commence on the **Effective Date** (the date on which this contract is fully executed) and shall continue for the full **Initial Term**, unless an early termination is mutually agreed upon. Thereafter, it will extend automatically until terminated by either party giving the other a written **Minimum Termination Notice**. Billing for service rendered hereunder shall commence on the **Service Date** (the date customer contracts for service under the tariff applicable to this contract) or the date that service is first made available, whichever is later, or in accordance with terms stated under **Special Provisions**.

Termination: Should Customer terminate this contract and disconnect service for any reason, either during the initial term or any extension thereof unless waived as provided for herein, Customer shall pay to the Company a facilities termination charge equal to (a) the total installed cost of facilities dedicated solely for serving Customer, (b) less any Customer contribution to construction, (c) less accumulated depreciation of the facilities funded by Company, (d) less salvage value of all facilities dedicated solely for serving Customer, (e) plus the cost of removal (including any associated environmental investigation/remediation costs related to a spill or release of hazardous substances caused by Customer or those paid or incurred by the Company which were not the result of negligence on the part of the Company), all as determined by Company in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. Customers who terminate prior to the expiration of the initial term or any extension thereof may also be required to pay to Company a demand termination charge equal to 90% of the maximum demand set during the term times the demand rate in effect at the time of termination times the number of months remaining in the contract period.

Approval Initials

DS
[Signature]

For Customer

DS
[Signature]

For Company

Company may waive a portion or all of the termination charges where (1) a successor contract is executed prior to termination of this Contract, or (2) Customer is able to furnish Company with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities. If deregulation should occur during the term of this contract, the above demand termination charge, after deregulation, will be determined by appropriate governing authority(ies) rules at that time. The termination charges above shall not preclude additional termination charges approved by the SCPSC or imposed by law.

Impaired Service: Customer shall be responsible for installing and maintaining on its system such protective equipment as necessary for protecting its equipment from single phase conditions, momentary interruptions or voltage fluctuations arising from conditions on its system or from Company's supply lines. Customer shall not operate its equipment of such nature and in such manner as to impose voltage flicker, surges, or harmonics on Company's system that adversely affects the Company's system or its service to other Customers. Adverse conditions verifiable as of Customer origin shall be corrected promptly by Customer or upon Notice Company may discontinue service until the conditions are corrected. Customer agrees to keep Company equipment unencumbered and accessible at all times.

Load Increase: If Customer contemplates a load increase which may exceed the **Maximum Capacity** stated on Page 1, Customer shall give Company written notice of planned increase, with sufficient lead time for Company to enlarge its facilities. In such cases this Contract may be amended by mutual consent of the parties to reflect any changes in the service characteristics, applicable charges or conditions of service.

Facility Relocation: Should Customer request Company to relocate any of its facilities, or take any action which will require Company to relocate its facilities, Customer shall reimburse Company for the costs incurred.

Hold Harmless: Company and Customer do respectively assume full responsibility for the maintenance and operation of the facilities owned and/or operated by each, and each shall indemnify and except as hereafter limited, shall hold the other harmless from any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act on the indemnitor's part in the installation, maintenance, operation, replacement and/or removal of the facilities owned and operated by each. Neither party shall be liable to the other in any event, whether in contract, tort or otherwise, for any loss of revenue, profits, use of production, costs of capital or purchased or replacement power, interest, business interruption, claims of customers or any other incidental, indirect or consequential damages of any nature whatsoever. Customer(s) acknowledge(s) the presence of overhead and/or underground power lines and understands that contact with them could cause serious injury or death.

South Carolina Public Service Commission: This Contract, the **Billing Rate** referenced on Page 1, and all services rendered hereunder, are subject to the Company's "General Terms and Conditions" as approved by the Commission, and to the "Rules and Regulations" of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. The billing Rate and General Terms and Conditions are attached and made a part hereof; Rules and Regulations are made a part by reference and are available upon request. This contract is specifically intended to survive deregulation or retail access.

Bold Print Terms: Bold Print terms reference the corresponding completed blanks on Page 1.

Approval Initials	<div style="border: 1px solid black; padding: 2px; display: inline-block;">DS UK</div>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">DS WGW</div>
	_____ For Customer	_____ For Company